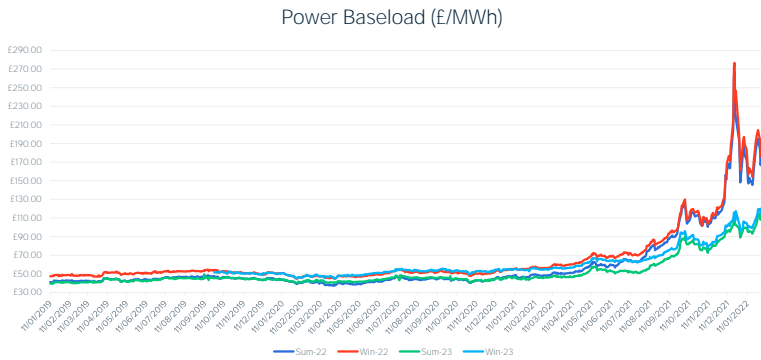


Weekly Energy Report

07 February 2022

Power

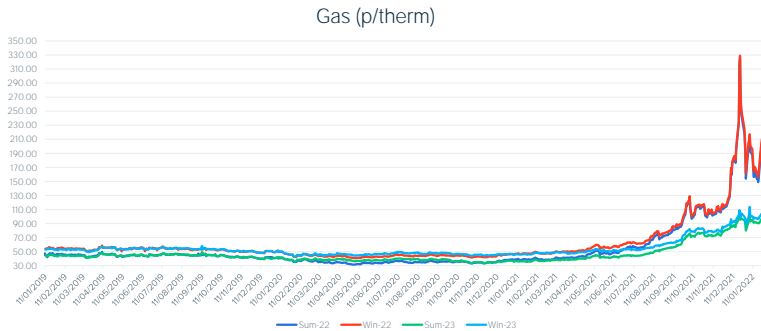


Contract	Price (£/MWh)		
	Previous Weeks Close	Last Weeks Close	
Mar-22	£207.64	£185.42	▼
Apr-22	£203.38	£187.42	▼
May-22	£196.45	£185.12	▼
Q2-22	£197.43	£185.29	▼
Q3-22	£193.26	£183.88	▼
Sum-22	£195.33	£184.58	▼
Win-22	£204.45	£194.92	▼
Sum-23	£114.37	£117.17	▲
Win-23	£119.39	£123.20	▲
Sum-24	£88.12	£95.04	▲

Summary

The March 22, Summer 22 and Winter 22 contracts decreased by £22.22/MWh, £10.75/MWh and £9.53/MWh respectively from the previous weeks close. The market was trending in line with gas with strong losses at the beginning of the week led by a healthy roster of LNG arrivals and high wind generation forecasts. Gas-fired generation averaged 26% over the week with renewables increasing to 50% over the week that helped pressure Day-Ahead prices. However, for the remainder of the week saw price support after Russian gas flows into Western Europe decreased and temperatures were also revised lower with a dip below seasonal normal from 10th February. Further support was also seen from the carbon market trading at all-time highs. The December 22 EUA increased by €7.23/tonne over the week, settling at €96.45/tonne and the December 22 UKA gained by £3.22/tonne, settling at £87.92/tonne. Higher prices were led by increased buying activity in secondary markets ahead of compliance deadlines, compounded by a failed EU ETS auction on Tuesday.

Gas



Contract	Price (p/therm)		
	Previous Weeks Close	Last Weeks Close	
Mar-22	219.83	200.49	▼
Apr-22	215.66	200.04	▼
May-22	213.65	199.13	▼
Q2-22	214.14	199.28	▼
Q3-22	213.63	199.07	▼
Sum-22	213.88	199.18	▼
Win-22	222.18	207.53	▼
Sum-23	112.93	117.33	▲
Win-23	119.48	123.94	▲
Sum-24	78.87	82.84	▲

Summary

The March 22, Summer 22 and Winter 22 contracts decreased by 19.34p/therm, 14.70p/therm and 14.65p/therm respectively from the previous weeks close. The week started with higher Russian gas flows into Europe which helped prices fall across the curve. Mild temperatures and high wind output also led to the soft outlook for the near term. High amounts of LNG deliveries provided further downside which led to expectations of minimum storage withdrawals. The rest of the week saw strong buying interest led by strength in the carbon market and higher Asian LNG spot which may limit LNG to Europe. Russian supply remains an uncertainty with recent fluctuations in flows through Ukraine although at present there is confidence that there will be enough gas in European storages to see out the rest of this winter period. The March 22 Brent contract gained by \$4.75/bbl over the week, settling at \$93.27/bbl. OPEC+ approved another 400,000bpd in production that will begin in March which keeps supply tight. Support also came from EIA data displaying a 1.04Mbd drawdown in U.S crude inventories.